Larry Hogan, Governor Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary Horacio Tablada, Deputy Secretary

CLEAN WATER COMMERCE ACT FOR NUTRIENT, PHOSPHORUS, AND SEDIMENT REDUCTIONS SOLICITATION INSTRUCTIONS

In accordance with the Maryland Clean Water Commerce Act of 2017, which authorizes the use of the Bay Restoration Fund to purchase nitrogen, phosphorus, and sediment reductions, the Maryland Department of the Environment (MDE) is requesting proposals to sell nitrogen, phosphorus or sediment reductions achieved through environmental practices. If the proposal is accepted by MDE, the reductions and price will be specified in an agreement between the selected entity and MDE. The agreement will specify the duration of the contract, which may be up to the useful life of the environmental practice. MDE intends to enter into multiple agreements based on the ranking of the proposals, up to \$6 million over the term of the contract(s).

An entity may offer proposals for multiple categories of reductions (i.e. nitrogen, phosphorous, sediment) for the same environmental practice. All offers utilizing the same environmental practice must be submitted in one proposal. Each proposal must have at least one category that meets the reduction threshold as specified in the regulations (at least 500 pounds per year of nitrogen, 100 pounds per year of phosphorus or 30 tons of sediment). MDE may offer to buy reductions from one or more categories for the same environmental practice.

Evaluation and Selection Process:

The proposals for each reduction category (nitrogen, phosphorus, or sediment) will be separately evaluated based on a scoring system provided below:

- 1) A maximum of 60 points for the proposal with <u>lowest price</u> for the reduction category (nitrogen, phosphorus, or sediment) 40 for the second lowest, 20 for the third, and 0 for the rest.
- 2) One point, with a maximum of 20 points, for <u>each year</u> of the life of the environmental practice as offered in the proposal, and approved by the Department to be able produce the load reduction of nitrogen, phosphorus or sediment.
- 3) 5 points, with maximum of 20 points, <u>for each additional benefit</u> specified in the application and accepted by the Department.

All proposals will be ranked for each reduction category based on the Total Score. Proposals will be selected based on their ranking until approximately 95% of the authorized funds are utilized